

NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION
FOR THE
LAUNDRY AND DRY CLEANING
MACHINERY MANUFACTURING
INDUSTRY

AS APPROVED ON OCTOBER 3, 1933

BY

PRESIDENT ROOSEVELT



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U.S. DEPOSITORY

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EXECUTIVE ORDER

CODE OF FAIR COMPETITION FOR THE LAUNDRY AND DRY CLEANING MACHINERY MANUFACTURING INDUSTRY

An application having been duly made, pursuant to and in full compliance with the provisions of title I of the National Industrial Recovery Act, approved June 16, 1933, for my approval of a Code of Fair Competition for the Laundry and Dry Cleaning Machinery Manufacturing Industry, and hearings having been held thereon and the Administrator having rendered his report containing an analysis of the said Code of Fair Competition, together with his recommendations and findings with respect thereto, and the Administrator having found that the said Code of Fair Competition complies in all respects with the pertinent provisions of title I of said Act and that the requirements of clauses (1) and (2) of subsection (a) of Section 3 of the said Act have been met:

NOW, THEREFORE, I, Franklin D. Roosevelt, President of the United States, pursuant to the authority vested in me by title I of the National Industrial Recovery Act, approved June 16, 1933, and otherwise, do adopt and approve the report, recommendations, and findings of the Administrator and do order that the said Code of Fair Competition be and is hereby approved.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
September 1933.

Approval recommended:
HUGH S. JOHNSON,
Administrator.

(III)

SEPTEMBER 25, 1933.

THE PRESIDENT,
The White House.

MY DEAR MR. PRESIDENT: I have the honor to submit and recommend for your approval the Code of Fair Competition for the Laundry and Dry Cleaning Machinery Manufacturing Industry.

The following exhibits are included or attached:

- (1) Final Code Submitted.
- (2) Notice of Hearing.
- (3) Statement of Procedure.
- (4) Transcript of the Records.
- (5) Statistical Analysis of the Division of Economic Research and Planning.
- (6) Report of Deputy Administrator.

An analysis of the provisions of the Code has been made by the Administration. I find that the Code complies with the requirements of Clauses 1 and 2, Subsection (a) of Section 3 of the National Industrial Recovery Act.

I am, my dear Mr. President,
Very sincerely yours,

HUGH S. JOHNSON,
Administrator.

CODE OF FAIR COMPETITION FOR THE LAUNDRY AND DRY CLEANING MACHINERY MANUFACTURING INDUSTRY

To effectuate the policies of Title I of the National Industrial Recovery Act, the following provisions upon approval by the President shall be the standard of fair competition for the Laundry and Dry Cleaning Machinery Manufacturing Industry.

ARTICLE I—DEFINITIONS

The term "Laundry and Dry Cleaning Machinery Manufacturing Industry", as used herein, is defined to mean the manufacture for sale of all laundry and dry cleaning apparatus, machinery, appliances, and parts thereof other than small machinery, apparatus, appliances, and parts thereof for use in the home.

The term "employee", as used herein, includes any person engaged in any phase of the Industry, in any capacity, in the nature of employee irrespective of the method of payment of his compensation.

The term "employer", as used herein, shall include every person promoting or actively engaged in the manufacture for sale of the products of the Laundry and Dry Cleaning Machinery Manufacturing Industry, as herein defined.

The term "person", as used herein, shall include, but without limitation, natural persons, partnerships, associations, trusts, trustees, trustees in bankruptcy, receivers and corporations.

The term "effective date", as used herein, is defined to be the eleventh day after this Code shall have been approved by the President of the United States.

ARTICLE II—EMPLOYMENT

The following provisions are conditions of this Code:

(1) That employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employees of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

(2) That no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing; and

(3) That employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment, approved or prescribed by the President.

ARTICLE III—WAGES

(a) On and after the effective date employers shall not employ any person under the age of 16 years; provided, however, that where a State law provides a higher minimum age, no person below the age specified by such State law shall be employed within that State.

(b) On and after the effective date the minimum wage shall be paid by employers to any employee engaged in the production of the products of the Laundry and Dry Cleaning Machinery Manufacturing Industry and in labor operations directly incident thereto shall be 40 cents per hour; provided, however, that casual and incidental labor and learners may be paid not less than 80 percent of such minimum wage, but the total number of casual and incidental laborers and learners shall not exceed 5 percent of the total number of employees covered by the provisions of this paragraph (b) and, provided further, that after three months of work learners shall be paid not less than the minimum wage herein provided and, provided, also, that female employees employed during the same hours of the day and for the same class of work as male employees shall be paid at the same rate of pay as such male employees.

(c) On and after the effective date the minimum wage that shall be paid by any employer to all other employees shall be at the rate of \$14.00 per week; provided, however, that office boys or girls, learners, and casual employees may be paid not less than 80 percent of such minimum wage but the total number of such office boys or girls, learners, and casual employees shall not exceed 5 percent of the total number of employees covered by the provisions of this paragraph (c).

(d) Not later than ninety (90) days after the effective date each employer in the Laundry and Dry Cleaning Machinery Manufacturing Industry shall report to the Administrator through the supervisory agency the action taken by such employer in adjusting the hourly wage rates for all employees receiving more than the minimum rates provided in paragraph (b) of this Article.

(e) Employers shall not reclassify employees so as to defeat the purposes of the Act.

(f) This Article guarantees a minimum wage whether employment is on a basis of hourly rate or piecework performance.

ARTICLE IV—HOURS

On and after the effective date employers shall not operate on a schedule of hours:

(a) For employees engaged in the production of products of the Laundry and Dry Cleaning Machinery Manufacturing Industry and in labor operations directly incident thereto, in excess of 36 hours per week.

(b) For all other employees, except executive, administrative, and supervisory employees, and service staff and traveling sales staff, in excess of 40 hours per week.

Provided, however, that these limitations shall not apply to those branches of the Laundry and Dry Cleaning Machinery Manufacturing Industry in which seasonal or peak demand places an unusual

and temporary burden for production or installation upon such branches; in such cases no employee shall be permitted to work more than an aggregate of 72 hours in any calendar six-months' period in excess of the limitations hereinbefore provided, and, provided further, that such limitations shall not apply in cases of emergency; and, further provided, that in no case shall the average for any six-months' period be more than 36 hours for employees covered by the provisions of paragraph (a) above and 40 hours for employees covered by the provisions of paragraph (b) above. At the end of each calendar month every employer shall report to the Administrator, through the supervisory agency, hereinafter provided for, in such detail as may be required, the number of man-hours worked in that month for emergency reasons and the ratio which said emergency man-hours bear to the total number of man-hours of labor during said month.

Where in any case an employee is worked in excess of eight hours per day, time and one half shall be paid for the excess hours so worked.

ARTICLE V—ADMINISTRATION

Laundry and Dry Cleaners Machinery Manufacturers' Association is hereby designated the agency for promoting the performance of the provisions of this Code by the members of the Laundry and Dry Cleaning Machinery Manufacturing Industry. With a view to keeping the President of the United States and the Administrator informed as to the observance or nonobservance of this Code and as to whether the Laundry and Dry Cleaning Machinery Manufacturing Industry is taking appropriate steps to effectuate in all respects the declared policy of the National Industrial Recovery Act, the supervisory agency shall make such reports as the Administrator may direct, periodically or as often as he may request, and each employer shall prepare and furnish, when required by the supervisory agency, to such organization or person as the supervisory agency may designate, an earnings statement and balance sheet in a form approved by the supervisory agency, or acceptable to any recognized stock exchange. Each employer shall, likewise, prepare and file with such person or organization as the supervisory agency may designate and at such times and in such manner as may be prescribed, statistics of plant capacity, volume of production, volume of sales in units and dollars, orders received, unfilled orders, stocks on hand, inventory, both raw and finished, number of persons employed, wage rates, employee earnings, hours of work, costs, prices quoted, prices received, contracts made, and such other similar data or information as the supervisory agency may from time to time require to administer this Code.

ARTICLE VI—SUPERVISORY AGENCY

To administer and supervise, and to facilitate the enforcement of the provisions of this Code, there shall be a committee of six members connected with the Industry called the Supervisory Agency, and the President or the Administrator may appoint not more than three additional members without vote. The Committee shall be elected

at a meeting of employers called immediately after the approval by the President of this Code and held immediately prior to the effective date thereof. The meeting shall be called by the Laundry and Dry Cleaners Machinery Manufacturers' Association and notice thereof shall be sent by telegraph and registered mail to all known manufacturers of laundry and dry-cleaning machinery. The notice shall specifically state that voting at the meeting may be in person or by proxy. The members of the committee shall be elected by a vote of the employers present in person or by proxy at such meeting, passed in two ways: (a) by a majority vote of employers present in person or by proxy as such, and (b) by a seventy-five (75) percent vote by employers present in person or by proxy, weighted on the basis of one vote for each \$50,000 of sales of products of the Industry made in the calendar year 1932, as reported to the Secretary of the Laundry and Dry Cleaners Machinery Manufacturers' Association, but each employer shall have at least one vote. Vacancies in the committee due to death or resignation or because a member thereof has ceased to be connected with the Industry shall be filled by the remaining members of the committee.

If formal complaint is made to the Laundry and Dry Cleaners Machinery Manufacturers' Association or to the supervisory agency that the provisions of this Code have been violated by any employer, the supervisory agency shall make such investigation as in its opinion is necessary.

ARTICLE VII—STATISTICS—CONFIDENTIAL

Except as otherwise provided in the National Industrial Recovery Act, all statistics, data, and information filed in accordance with the provisions of Article V shall be confidential and the statistics, data, and information of one employer shall not be revealed to any other employer except that for the purpose of facilitating the administration and enforcement of the provisions of this Code, any and all statistical data furnished in accordance with the provisions of this Code shall be available to the Supervisory Agency by its duly authorized representative (who shall not be in the employ of any employer affected by this Code) and to the Administrator.

ARTICLE VIII—CODE OPEN TO ALL EMPLOYERS

Any member of the Laundry and Dry Cleaning Machinery Manufacturing Industry is eligible for membership in the Laundry and Dry Cleaners Machinery Manufacturers' Association and there shall be no inequitable restrictions on such membership. Any employer shall be entitled to vote on and share in the benefits of the activities of the supervisory agency and may participate in any endeavors of the Laundry and Dry Cleaners Machinery Manufacturers' Association in the preparation of any revisions of, or additions or supplements to, this Code by accepting his proper pro rata share of the reasonable cost of creating and administering it, as determined by the supervisory agency subject to review by the Administrator.

ARTICLE IX—ACCOUNTING AND COSTING

Every employer shall use an accounting system and a costing system which conforms to the principles of and is at least as detailed and complete as the uniform and standard method of accounting and the uniform and standard method of costing to be formulated or approved by the supervisory agency and subject to review by the Administrator, with such variations therefrom as may be required by the individual conditions affecting any employer or group of employers and as may be approved by the supervisory agency and made supplements to the said formulated or approved methods of accounting and costing.

ARTICLE X—SELLING BELOW COST

No employer shall sell or exchange any product of his manufacture at a price or upon terms or conditions that will result in the customer paying for the goods received less than the cost to the seller determined in accordance with the uniform and standard method of costing hereinabove prescribed; provided, however, that discontinued types or inventories which should be converted into cash may be disposed of in such manner and on such terms and conditions as the supervisory agency may approve and as are necessary to move such product into buyers' hands.

ARTICLE XI—PRICE LISTS

As it has been the generally recognized practice in the Laundry and Dry Cleaning Manufacturing Industry to sell its products on the basis of printed price lists, with discount sheets and fixed terms of payment, each employer shall within ten (10) days after the effective date file with the supervisory agency a price list and discount sheet individually prepared by him showing his current prices, discounts, and terms of payment, and the supervisory agency shall immediately send copies thereof to all known manufacturers of laundry and dry-cleaning machinery. Employers who begin to sell the products of the Industry after the effective date shall file with the supervisory agency 10 days before making any quotations a price list and discount sheet showing current prices, discounts, and terms of payment, and the supervisory agency shall immediately send copies thereof to all known manufacturers of laundry and dry-cleaning machinery. Revised price lists or discount sheets covering any specific product may be filed from time to time by any employer with the supervisory agency to be effective on the date specified therein, which shall be not less than 10 days after such filing, and copies thereof shall be immediately sent to all known employers who thereupon may file, if they so desire, revisions of their price lists or discount sheets to meet such revised price lists or discount sheets which shall become effective upon the date when the revised price list or discount sheet first filed shall go into effect.

No employer shall sell directly or indirectly by any means whatsoever any product of the Industry at a price lower or at discounts

greater or on more favorable terms of payment than those provided in his current price lists and discount sheets on file with the supervisory agency.

ARTICLE XII—TRADE-IN ALLOWANCES

No employer shall make any allowance for apparatus, machinery, or appliances taken in trade in excess of the amount fixed in the standard list of trade-in allowances approved from time to time by the supervisory agency and filed in the office of the Secretary of the Laundry and Dry Cleaners Machinery Manufacturers' Association.

No employer shall sell, as is and where is, any apparatus, machinery, or appliances taken in trade for less than the amount of the trade-in allowance to the buyer from whom taken.

ARTICLE XIII—TERMS OF PAYMENT

Terms of payment on apparatus, machinery, and appliances shall not exceed three per cent, cash discount for payment in thirty (30) days or sixty (60) days net from date of invoice.

Terms of payment on service and parts shall not exceed two percent cash discount for payment by the tenth of the month following shipment, sixty (60) days net from date of invoice.

No invoice shall be dated later than five (5) days after the date of shipment covered by the invoice.

No invoice shall be rendered to a customer for less than a minimum charge of fifty cents (50¢).

Interest shall be charged on all accounts beginning sixty (60) days after date of invoice at a rate of interest not less than six (6) percent per annum.

ARTICLE XIV—DEFERRED PAYMENT PLAN SALES

No employer shall sell any laundry apparatus, machinery, or appliances or parts thereof to any new laundry plant upon a deferred payment plan unless the initial cash payment is at least thirty-three and one-third ($33\frac{1}{3}$) percent of the list price of the article sold, less the amount of any trade-in allowance. The deferred payment period shall not exceed thirty (30) months. A new laundry plant is defined as one conducted by a person not theretofore operating a laundry plant at the same location.

No employer shall sell any dry-cleaning apparatus, machinery, or appliances or parts thereof to any new dry-cleaning plant upon a deferred payment plan unless the initial cash payment is at least fifteen (15) percent of the list price of the article sold, less the amount of any trade-in allowance. The deferred payment period shall not exceed thirty (30) months. A new dry-cleaning plant is defined as one conducted by a person not theretofore operating a dry-cleaning plant at the same location.

No employer shall sell any apparatus, machinery, or appliances or parts thereof to any existing laundry and/or dry-cleaning plants upon a deferred payment plan unless the initial cash payment is at least ten (10) percent of the list price of the article sold, less the

amount of any trade-in allowance. The deferred payment period shall not exceed thirty-six (36) months.

On all deferred payment sales to new laundry and/or dry-cleaning plants not less than twenty (20) percent of the deferred balance shall be paid in equal monthly payments (beginning within sixty (60) days of date of shipment) during a period not in excess of one third ($\frac{1}{3}$) of the deferred payment period, and the remaining eighty (80) percent shall be paid in equal monthly payments over the remainder of the deferred payment period. On all other deferred payment sales the deferred balance shall be paid in equal monthly payments beginning within sixty (60) days after date of shipment.

Interest at the rate of not less than six (6) percent per annum shall be charged upon the deferred balance.

Shipments may be made f.o.b. the nearest plant to the buyer of any manufacturer of similar apparatus, machinery, or appliances, except that f.o.b. points on the Pacific Coast shall be Los Angeles, San Francisco, and Seattle. The buyer shall pay freight in cash in addition to the down payment.

The following discounts, based upon the invoice price, shall be applicable to deferred-payment sales on which all payments are made promptly upon the dates fixed, and may be deducted by the buyer from the amount of the last payment:

On deferred-payment sales paid in full within twelve (12) months, two (2) percent.

On deferred-payment sales paid in full within eighteen (18) months, one and one half ($1\frac{1}{2}$) percent.

On deferred-payment sales paid in full within twenty-four (24) months, one (1) percent.

On deferred-payment sales paid in full within thirty (30) months, one half ($\frac{1}{2}$) of one (1) percent.

Cartage and setting in position ready for connection shall be charged to the buyer and shall be paid in cash in addition to the down payment and freight. Supervisory service may be given without compensation. Price lists for the Pacific Coast shall include cartage and setting in position ready for connection at the f.o.b. points, Los Angeles, San Francisco, and Seattle.

ARTICLE XV—GUARANTY OF MANUFACTURER

No employer shall make any guaranty on apparatus, machinery, appliances, and parts thereof for a period in excess of six months from the date of installation. Every employer shall file with the supervisory agency ten (10) days after the effective date a copy of his standard form of guaranty.

ARTICLE XVI—SERVICE PROVISIONS

Except in the case of service given during the guarantee period, time and a half shall be charged for overtime and holidays. Overtime shall begin at 5:00 p.m. and end at 8:00 a.m. on the following day, Monday to Friday, inclusive. It shall begin at noon on Saturday and end at 8:00 a.m. on Monday. It shall begin at 5:00 p.m. on the day preceding a holiday and end at 8:00 a.m. on the day following the holiday.

Travel time of any service employee between 8:00 a.m. and 5:00 p.m., transportation and living expenses, shall be for account of the customer.

ARTICLE XVII—EXPERIMENTAL AND TRIAL INSTALLATIONS

A probationary period for experimenting with new types of apparatus, machinery, and appliances shall not extend for more than one year from the installation of the unit first installed, and such installations shall be limited to ten (10) different plants and in number to ten (10) units.

Trial periods to prove a sales point shall not exceed sixty (60) days from the date of installation. The terms of sale provided in this Code shall be the terms of sale in the trial order and shall become effective when the apparatus, machinery or appliance on trial is accepted. If the apparatus, machinery or appliance on trial is not accepted by the end of the trial period, it shall be removed by the manufacturer installing it. With the exception of identification machinery and equipment, no employer shall have more than five installations of each type of apparatus, machinery, or appliance on a trial basis at any one time.

Every employer making a probationary or trial installation shall within five days after such installation notify the supervisory agency of such installation and shall show in such notification the number and type of units installed, the date on which installed, and the name and address of the plant in which installed.

ARTICLE XVIII—DISTRIBUTOR'S REALES

No employer will sell to or through any distributor who does not agree to resell the products of the Industry only in accordance with the provisions of this Code.

ARTICLE XIX—EXPORT SALES

The provisions of this Code covering sales are not to apply to direct export sales of any product of the Industry or to sales of any product destined ultimately for export or to sales of parts used in the manufacture of products for export. The term "export" shall include shipments to foreign countries and to such territories and possessions of the United States as may be determined by the supervisory agency.

ARTICLE XX—UNFAIR COMPETITIVE PRACTICES

The following are declared to be unfair methods of competition in the Laundry and Dry Cleaning Machinery Manufacturing Industry:

1. The secret payment or allowance, in connection with any sale, of rebates, refunds, commissions, or unearned discounts, whether in the form of money or otherwise, or secretly extending to certain purchasers special services or privileges not extended to all purchasers under like terms and conditions.

2. Directly or indirectly to give or permit to be given, or to offer to give, money or anything of value to agents, employees, or representatives of customers or prospective customers, or to agents, employees, or representatives of competitors' customers or prospective customers, to influence their employers or principals to purchase or contract to purchase industry products from the maker of such gift or offer, or to influence such employers or principals to refrain from dealing or contracting to deal with competitors.

3. Wilfully inducing or attempting to induce the breach of existing contracts between competitors and their customers by any false or deceptive means whatsoever, or interfering with or obstructing the performance of any such contractual duties or services by any such means.

4. Wilfully enticing away the employees of competitors with the purpose and effect of unduly hampering, injuring, or embarrassing competitors in their businesses.

5. Defamation of competitors by falsely imputing to them dishonorable conduct, inability to perform contracts, questionable credit standing, or by other false representations or the false disparagement of the grade or quality of their goods.

6. The making, or causing, or permitting to be made or published, of any false, untrue, or deceptive statement by way of advertisement or otherwise concerning the grade, quantity, quality, substance, character, nature, origin, size, or preparation of any product of the Industry.

7. Withholding from or inserting in the invoice statements which make the invoice a false record, wholly or in part, of the transaction represented on the face thereof.

8. Intimidating customers of alleged infringers by the owner of a patent or trade mark.

ARTICLE XXI—RIGHTS OF PRESIDENT

The President may from time to time cancel or modify any order, approval, license, rule, or regulation issued under Title I of the National Industrial Recovery Act.

ARTICLE XXII—AMENDMENTS AND ADDITIONS

Such of the provisions of this Code as are not required by the National Industrial Recovery Act to be included herein, may, with the approval of the President of the United States, be modified or eliminated as changed circumstances or experience may indicate. This Code is intended to be a basic Code and study of the trade practices of the Laundry and Dry Cleaning Machinery Manufacturing Industry and will be continued by the Laundry and Dry Cleaners Machinery Manufacturers' Association with the intention of submitting to the Administrator for approval, from time to time, additions or supplements to this Code, such additions or supplements, however, to conform to and be consistent with the provisions of this Code.

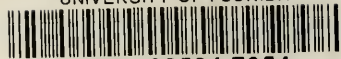
ARTICLE XXIII—SEGREGATION OF INDUSTRY

If any employer of labor in the Laundry and Dry Cleaning Machinery Manufacturing Industry is also an employer of labor in any other Industry, the provisions of this Code shall apply to and affect only that part of his business which is included in the Laundry and Dry Cleaning Machinery Manufacturing Industry.

SEPTEMBER 25, 1933.



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